

NEW WAIVER REQUEST

STATE OF MISSOURI
NEW WAIVER REQUEST
UTILIZATION OF 10% OF FORMULA FUNDS

Statutory or Regulatory Requirement Requested to be Waived

The State of Missouri requests a waiver from the provisions of WIA section 129 (Use of Funds for Youth Activities) and WIA section 134 (Use of Funds for Employment and Training Activities), as well as a waiver from the provisions of WIA regulation at 20 CFR 663.145 regarding the use of WIA title 1 adult and dislocated workers formula funds. Missouri requests the waiver under the authority of the Secretary of Labor to waive certain requirements of WIA, title 1, subtitles B and E and sections 8-10 of the Wagner-Peyser Act. This authority is granted to the Secretary by WIA section 189 (i)(4)(A), and in the implementing regulations at 20 CFR 661.420.

Goals the State Intends to Achieve as a Result of the Waiver

Goals to be achieved by this waiver would be to improve the flexibility in not only designing and implementing WIA programs for local boards, but would also improve the ability of the boards to respond quickly to employers, incumbent workers, job seekers and youth. The Division anticipates that there would also be increased accountability at both the state and local areas due to this waiver approval.

Actions the State has Undertaken to Remove Statutory or Regulatory Barriers

On March 9, 2005, officials of the Missouri Division of Workforce Development attended the U.S. DOL WIA State Planning Guidance Regional Training Session in Rosemont, Illinois. At this meeting, the U.S. DOL Regional Director encouraged States to develop strategies to take advantage of flexibility provisions in WIA, to include the consideration of new waivers. This waiver being submitted is similar to the approved waiver requested by the State of Texas, in that Missouri has been looking for alternative methods of gaining programmatic flexibility within WIA.

The Division requests that if approved, the waiver would be effective July 1, 2005.

Programmatic Outcomes Expected to be Achieved as a Result of the Waiver

Missouri is interested in enhancing the flexibility of our public workforce system. Through this waiver, we are proposing to allow local boards to use funds allocated to them under sections 127, 128, 132 and 133 of WIA in the same manner as statewide activity funds are used under WIA

sections 129 and 134 and 20 CFR 667.130. We hope to better serve the local needs of business, incumbent workers, job seekers and youth by utilizing up to 10 percent of local formula funds in the same manner as statewide activity funds. This flexibility will give Missouri's local boards an opportunity to meet the demands of their local economic conditions by expanding the allowable uses of formula funds in a timely fashion.

Under this waiver request, allocation of funds to local regions will still follow the provisions described in Sections 128 and 133 of WIA. The Governor will still reserve not more than 15 percent each of the amounts allotted to the State for the statewide activity fund, leaving the remainder of the funds to be allocated by formula to each of the 14 local regions. After the allocation process is complete, under this waiver request, a board having a need for additional flexibility would, under the guidelines established by the waiver and the local plan modification process, request to use up to 10 percent of its formula funds as allowable statewide activities at the local level.

These formula funds will continue to be tracked by funding stream and the local areas will be responsible for meeting programmatic outcomes that are specific to the nature of the activities they are conducting under this approved waiver. Local regions will still be required to meet performance goals for adult, dislocated workers, and youth programs and there would be no separate amount set aside for administration of these activities.

Individuals Impacted by the Waiver

Local boards would be able to request to use up to 10 percent of their local area formula allocation funds for adults, dislocated workers and youth to provide certain identified services, which will be tracked by funding stream. Local boards would specify a dollar amount, type of project and activities to be delivered through a local plan modification.

The following statewide activities are being requested for approval, as possible uses for these 10 percent local area formula allocation funds by local boards:

1. innovative incumbent worker training programs, including an employer loan program (WIA section 134 (a)(3)(A)(iv)(I));
2. innovative programs for displaced homemakers (WIA section 134 (a)(3)(A)(vi)(I));
3. programs to increase the number of individuals trained for and placed in non-traditional employment (WIA section 134 (a)(3)(A)(vi)(II));
4. carrying out activities for youth (WIA section 129 (b)(3));
5. development of exemplary program activities (WIA section 134 (a)(3)(A)(ii));
6. conduct research and demonstrations for a variety of populations including youth, adult, and dislocated workers (WIA section 134 (a)(3)(A)(iii));
7. rapid response activities which connect to and support state rapid response activities (WIA section 134 (a)(2)(A));
8. programs targeted to Empowerment Zones and Enterprise Communities (WIA section 134 (a)(3)(A)(iv)(II));
9. aversion of layoff activities (20 CFR 665.320 (d)(1)); and

10. other such adult, dislocated worker and youth activities as determined by the local areas via request to the state for approval, except for the activities excluded below (WIA section 134 (a)(3)(A)(vii)).

Missouri would not apply the waiver to the following activities, which we will continue to provide at the state level:

1. the provisions of WIA section 134 (a)(2)(B)(i) to (iv) pertaining to disseminating the statewide eligible training provider list, conducting evaluations for the purposes of state workforce activities, providing state incentive grants, and providing technical assistance for local areas that fail to meet performance standards;
2. assisting in the establishment and operation of one-stop delivery systems (WIA section 134 (a)(2)(B)(v)); and
3. operating a fiscal and management accountability information system under WIA section 136 (f) (WIA section 134 (a)(2)(B)(vi)).

Processes Used to:

- **Monitor the progress in implementing this waiver**

Should this request be granted, the Division will provide written notice to all regions, including the implications regarding the use of these funds. Under this waiver, local regions' performance and expenditure of their formula funds would need to be satisfactory before the expanded use under the waiver would be granted.

Local regions will be responsible for meeting programmatic outcomes that are specific in nature of the activities they are conducting under the requested waiver. The Division will ensure that specific performance outcomes for activities conducted under the waiver are established.

- **Provide notice and an opportunity to comment on this request to the local boards who would be affected by this waiver, and ensure meaningful public comment on the waiver request, including comment by business and organized labor**

As the waiver will be submitted within the plan, local boards will have an opportunity to review this waiver as they are reviewing the state plan during the public comment period.

A 30-day comment period from the date of publication in the major newspapers of the state will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the U.S. DOL's regional office in Chicago.

RE-SUBMITTED APPROVED WAIVER REQUEST

**STATE OF MISSOURI
EXTENSION OF WAIVER REQUEST
RECAPTURE & REALLOCATION OF UNOBLIGATED BALANCES OF YOUTH &
ADULT FUNDS**

The State of Missouri received approval on March 17, 2003 for a waiver of statutory and regulatory requirements under the Workforce Investment Act. The approval was to waive the WIA regulation at 20 CFR 667.160, which implements the WIA Title 1 provisions relating to the recapture and reallocation of unobligated balances of youth funds (WIA section 128 (c)) and adult funds (WIA section 133 (c)).

Missouri is requesting a waiver extension through this state plan, so that the Division of Workforce Development can continue to recapture and reallocate unexpended balances of local area funds. Total unexpended funds subject to recapture and reallocation in any funding stream would have to exceed \$200,000 before the state procedures would be applied to that funding stream.

This waiver request has allowed the Division to implement the deobligation/reobligation policy, which has enabled Missouri to establish rates of expenditure for local regions.

Missouri is requesting that this waiver be extended for program years 2005 and 2006.